

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE CITY OF FLEMING-NEON, KENTUCKY AND ITS WATER COMMISSION, FOR AN ORDER AUTHORIZING THE PURCHASE OF THE HAYMOND WATER SYSTEM)))))))	CASE NO. 94-252
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O R D E R

The City of Fleming-Neon, Kentucky ("Fleming-Neon") has applied for Commission approval to acquire the assets of the Haymond Water Company, Inc. ("Haymond").

Having considered the application and being otherwise sufficiently advised, the Commission finds that:

1. Haymond, a Kentucky corporation, owns and operates facilities used for or in connection with the treatment, distribution and furnishing of water to the public and is therefore a utility subject to Commission jurisdiction. KRS 278.010(3)(d) and KRS 278.040.

2. Haymond currently supplies water service to approximately 79 customers in Haymond, Kentucky.

3. Haymond has agreed to sell its water treatment and distribution facilities and all associated real estate and equipment to Fleming-Neon for the sum of \$10,750.

4. Fleming-Neon is a city of the fifth class. KRS 81.010.

5. Fleming-Neon currently operates its own water distribution system. It currently employs persons who are certified to operate Class II Water Distribution systems.

6. As of June 30, 1993, Fleming-Neon's water system had total assets of \$2,421,067, total liabilities of \$344,408 and total fund equity of \$2,076,659.

7. Fleming-Neon intends to continue operation of Haymond's system and eventually replace that system by extending water distribution lines from its own system to Haymond, Kentucky.

8. Upon its acquisition of the Haymond system, Fleming-Neon intends to continue to charge the rate for service presently in effect.

9. Fleming-Neon has the financial, technical, and managerial abilities to provide reasonable utility service.

10. The proposed transfer of Haymond's water treatment and distribution facilities to Fleming-Neon is in the public interest and should be approved.

11. Upon completion of the transfer, the Haymond water treatment and distribution system will cease to be subject to Commission jurisdiction. KRS 278.010. See also McClellan v. Louisville Water Co., Ky., 351 S.W.2d 197 (1961).

IT IS THEREFORE ORDERED that:

1. The proposed transfer of Haymond's water treatment and distribution facilities to Fleming-Neon is approved.

2. Within 30 days of the date of transfer, Haymond shall file with the Commission an annual report for the water treatment

and distribution facilities for that period of 1994 in which it owned those facilities.

Done at Frankfort, Kentucky, this 10th day of August, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director